



**MINUTES OF THE FINANCE AUTHORITY OF NEW ORLEANS  
BOARD OF TRUSTEES MEETING  
Thursday, November 15, 2018**

**Members Present:** Dr. Gary Clark, Mr. Stephen Smith, Mr. Wade Wootan & Mr. Hunter Thomas

**Members Absent:** Mrs. Gizelle Johnson-Banks & Mr. Charles Brown

**Staff Present:** Mr. Damon Burns, Ms. Bianka Brown, Ms. Lydia Cutrer, Mr. Patrick Guillion, Mrs. Stacey Weaver, Ms. Destine Grady & Mr. Samuel Santa-Marina

**Members of the Public:** Legal Counsel Rep Ms. Dietra Cummings, Mr. Sheldon Bruno (Bruno & Tervalon), Mr. Mike Airhart (George K. Baum) & Susan Vanwingen (NANO LLC.)

Vice-Chair Smith called The Finance Authority's Board Meeting to order at 4:14pm.

**Old Business**

There was no old business to discuss.

**New Business & Board Actions**

**Acceptance and Approval of the September 20, 2018 Board of Trustees Meeting Minutes (Action Item)** – The board reviewed. Mr. Wootan stated that a correction was needed on page 3, the title of "Approval of Travel Policy" should to be changed to "Discussion of Travel Policy". **Vice-Chair Smith requested a motion to approve the minutes from the September 20, 2018 Board of Trustees Meeting with the approved edit. Mr. Wootan moved, and Dr. Clark seconded. The motion passed unanimously.**

**Acceptance and Approval of the October 18, 2018 Board Retreat Meeting Minutes (Action Item)** – The board reviewed and there being no discussion, **Vice-Chair Smith requested a motion to approve the minutes from the October 18, 2018 Board Retreat as drafted. Dr. Clark moved, and Mr. Hunter Thomas seconded. The motion passed unanimously.**

**Presentation of Proposed 2019 Fiscal Year Operating Budget (Action Item)**

Mr. Burns informed the board that 2018 revenue plans have not been on schedule as projected but that FANO has remained conservative about spending. He stated that in 2019 FANO plans to generate revenue with Single Family & Multifamily Programs. The proposed budget will be approved in December. Mr. Smith stated that he is concerned that FANO is incurring costs but not producing. He would suggest that FANO curtail the spending. Dr. Clark noted that he supports those concerns and that FANO needs to start making positive cashflow.

The board briefly discussed the possibility of FANO reentering the bond market.

Ms. Brown gave a brief presentation on the Proposed 2019 Operating Budget noting that total expenses being \$1,511,753.

The following expenditures were highlighted:

Employee Salaries and Benefits - \$740,123  
Administrative Expenses - \$73,450  
General Operating & Building - \$127,600  
Consulting and Professional - \$203,500  
Business Development - \$104,000  
Utilities - \$33,000  
Software and Subscription - \$69,100  
Taxes and Insurance - \$30,463  
Marketing & Advertising - \$55,000  
Technology Services - \$75,517

Ms. Brown stated that FANO is being conservative as the organization is currently \$250,000 under budget. She noted the various loans that FANO services for the City of New Orleans and the State of Louisiana. Ms. Brown will follow-up with the board regarding concerns and feedback on the proposed budget.

#### **RFP Solicitations for Auditors**

Ms. Brown informed the board that FANO will issue an RFP on November 19th. The current auditors were not under contract therefore, a solicitation was sent out to ensure FANO is receiving the best rate for audit services. A firm will be selected by the board.

Mr. Burns informed the board that the policies are for discussion only and will be approved at December's board meeting. All policies are being reviewed and updated by the Governance Committee.

#### **Discussion of Credit Card Policy**

Wootan highlighted various edits to the sections and forms within the policy. Legal Counsel Brown-Russell stated that she has reviewed Mr. Wootan's edits and will draft a response to his questions.

#### **Discussion of Travel Policy**

No discussion necessary.

#### **Discussion of Procurement Policy**

No discussion necessary.

#### **Discussion of Investment Policy**

Mr. Burns stated that the proposed Investment Policy is a modernized version of the current policy. The policy will govern the way FANO invests money. A third-party investment firm will review the proposed policy.

Mr. Burns thanked Mr. Wootan for his work on the policies.

#### **Discussion of Office Relocation**

Mr. Burns stated that an RFQ was issued for Architectural Design & Consulting Services. A Selection Committee is being established where Chair Johnson-Banks will appoint board members. The board discussed the various needs for renovating the building.

#### **Chair's Report**

No discussion necessary.

**CEO's Report**

Mr. Burns briefly discussed the following:

**Market Update**

- Opportunity Zone rules are beginning to be released but more guidance is needed before the market fully adopts the program.
- The Fed last met in September and early November with the rate increasing during the September meeting. The final meeting of the year is in December where one final rate increase is expected.

**Intergovernmental Update**

- An official request has been sent to the LHC to allow FANO to issue tax-exempt bonds associated with LIHTC projects.
- Members of staff recently traveled to Orlando, Florida to learn from the staff of Orange County Housing Finance Authority. Our Orlando counterpart shared valuable time and resources with FANO to aid in our growth plan.

**Program Operations**

- Single Family
  - Own New Orleans loan production remains light due to increased competition from commercial banks and rising interest rates. Adjustments are being made to make the program more competitive in 2019.
  - The tax-exempt bond market is beginning to show signs of recovery after 10 years of low production. Staff is preparing a new bond issue for early 2019, which will allow FANO to begin offering below-market financing once again.
- Multifamily
  - FANO is currently prohibited from issuing tax-exempt bonds associated with 4% Low Income Housing Tax Credit ("LIHTC") projects in Orleans Parish per the Louisiana Housing Corporation's 2018 Qualified Allocation Plan ("QAP"). A written request has been sent to the LHC to allow FANO to issue tax-exempt bonds associated with LIHTC projects.

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There being no further business, **Vice- Chair Smith requested a motion to adjourn the Board Meeting. Mr. Wootan moved, and Dr. Clark seconded. The motion passed unanimously.** The meeting was adjourned at 5:47pm.

ATTESTED: G - I - C I - K DATE: 12.20.18  
SECRETARY/TREASURER